

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 007011

67

ORIGIN AF-06

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 COME-00 EB-07 FRB-01 TRSE-00 XMB-02

OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 STR-01 INT-05

AGR-05 /087 R

DRAFTED BY AF/C:RRSTRAND:GJB

APPROVED BY AF/C:WLCUTLER

AF/EPS:MR. WHITE

----- 127149

P 110051Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA PRIORITY

LIMITED OFFICIAL USE STATE 007011

E.O. 1165 : -N/A

TAGS: ECO , EIND, CG

SUBJECT:NEW ECONOMIC MEASURES

REFS: A) KINSHASA 0240; B) KINSHASA 0231; C) KINSHASA
0137; D) KINSHASA 0056; E) KINSHASA A-002;
F) KINSHASA 11024

1. APPRECIATE EMBASSY'S FULL AND TIMELY REPORTING OF
SWEEPING MEASURES WHICH WERE THE SUBJECT OF NGUZA'S
ANNOUNCEMENT DECEMBER 30 AND MOBUTU'S SPEECH JANUARY 4.

2. STATEMENT OF GOZ'S INTENTION TO NATIONALIZE, OR TAKE
"CONTROL" OF, MAJOR PRODUCTION, DISTRIBUTION, TRANSPORTATION
AND CONSTRUCTION ENTERPRISES HAS OF COURSE AROUSED
CONSIDERABLE UNCERTAINTY IN U.S. BUSINESS AND BANKING
COMMUNITY. UNFORTUNATELY, MANY LEARNED OF THE MEASURES
THROUGH A NEWS BRIEF IN THE JANUARY 6 WALL STREET JOURNAL
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 007011

WHICH REPORTED WITHOUT ELABORATION: "ZAIRE WILL NATIONALIZE

ALL MINERAL, AGRICULTURAL AND OTHER INDUSTRIES IN THE CENTRAL AFRICAN NATION TO COMBAT UNEMPLOYMENT AND INFLATION, PRESIDENT MOBUTU SAID." WE HAVE POINTED OUT TO ALL WHO HAVE ENQUIRED THAT NGUZA ANNOUNCEMENT CONTAINED EXPLICIT EXEMPTION FOR ALL FOREIGN INVESTMENT COVERED BY INVESTMENT CODE AND INDICATED THAT NEW FOREIGN INVESTMENT WOULD BE ENCOURAGED. HOWEVER, FAILURE OF SPEECH DELIVERED FOR DOMESTIC CONSUMPTION AND CAST AS ATTACK

UPON ZAIRIAN BOURGEOISIE, HAS FED INVESTOR ANXIETY.

3. THIS IS PARTICULARLY UNFORTUNATE AT TIME WHEN BOTH SMTF AND GULF EUROCURRENCY PRODUCTION LOANS ARE IN FINAL STAGES OF PREPARATION FOR CLOSING. WE HAVE HAD CALLS FROM HALF A DOZEN BANKS WHICH HAVE BEEN PLANNING PARTICIPATION IN SMTF SYNDICATE AND WE HAVE HEARD THAT ONE OTHER MAJOR BANK (UNNAMED) WHICH HAD PLANNED TO TAKE A PIECE OF THE LOAN IS GETTING COLD FEET. EVEN IF LATTER IS NOT TRUE, CIRCULATION OF RUMOR OF THIS SORT IS ITSELF THREAT TO THE PROJECT. CONCERN HAS ALSO BEEN EXPRESSED BY TEXACO AND MOBIL ABOUT STATUS OF THEIR ON-SHORE OIL EXPLORATION CONCESSIONS, AND SEVERAL BANKS HAVE SOUGHT CLARIFICATION OF WHETHER RESTRICTION ON ACTIVITY OF FOREIGN BANKS OUTSIDE KINSHASA REFERS ONLY TO ESTABLISHMENT OF NEW BRANCHES OR TO OPERATION OF PRESENT ONES ALSO.

4. AGAINST THIS BACKGROUND, EMBASSY SHOULD CONTINUE TO IMPRESS UPON GOZ IMPORTANCE OF QUICKLY CLARIFYING AND ADEQUATELY PUBLICIZING FULL IMPLICATIONS OF NEW MEASURES FOR FOREIGN INVESTORS, BANKERS AND CONCESSION-HOLDERS.

FYI. AMBASSADOR MBEKA HAS SUBMITTED CLARIFICATION TO WSJ, BUT IT MAY NOT BE PRINTED AND IS TOO OBSCURE AND CRYPTIC TO BE HELPFUL EVEN IF IT IS. END FYI. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, INDUSTRY, ECONOMIC POLICIES, BANKS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE007011
Document Source: CORE
Document Unique ID: 00
Drafter: RRSTRAND:GJB
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750011-0534
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750159/aaaabzwl.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 KINSHASA 0240, 75 KINSHASA 0231
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 29 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 AUG 2003 by ShawDG>; APPROVED <17 DEC 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EW ECONOMIC MEASURES
TAGS: EIND, PGOV, ECON, CG, (MOBUTU, SESE SEKO)
To: KINSHASA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006